

# Financial Crime

Types of Internet fraud identified at the Internet Fraud Complaint Center (IFCC) at the FBI's National White Collar Crime Center include: auction fraud, nondelivery of products ordered, securities fraud, credit card fraud, identity theft, business opportunities, and professional services. (National White Collar Crime Center. 2000. <www.ifccfbi.gov>.)

The average monetary loss per complaint with IFCC is \$675. (Ibid.)

More than 72% of the victims reporting Internet fraud to IFCC are male; over 77% of the male and female victims are between the ages of twenty to fifty. (Ibid.)

In 1999, the total estimated arrests (based on all reporting agencies and estimates for unreported areas) included: 363,800 arrests for fraud; 106,950 arrests for forgery and counterfeiting; 17,100 arrests for embezzlement; and 121,900 arrests for buying, receiving, and possessing stolen property. (Federal Bureau of Investigation (FBI). 15 October 2000. *Crime in the United States, Uniform Crime Reports, 1999*. Washington, DC: U.S. Department of Justice, 212.)

In 1999, a total of \$491 million in restitution was ordered in financial fraud and institution matters pending before the U.S. Department of Justice. An additional \$5.5 million was ordered in fines. (Bureau of Justice Statistics (BJS). 2000. *Sourcebook of Criminal Justice Statistics 1999*. Washington, DC: U.S. Department of Justice, 314.)

In federal court in 1999, 1,198 defendants were convicted of embezzlement; 9,618 defendants were convicted of fraud; and

1,408 defendants were convicted of forgery and counterfeiting in federal court. (Ibid., 432.)

The U.S. Justice Department successfully prosecuted 2,613 cases of financial institution fraud in 1998. These convictions netted \$62.4 million in recovered assets and \$491 million in court-ordered restitution to the victims of these frauds. (Bureau of Justice Statistics (BJS). 1999. *Sourcebook of Criminal Justice Statistics 1998*. Washington, DC: U.S. Department of Justice, 305, table 3.159)

According to the Federal Bureau of Investigation, senior citizens are targeted at a rate of 34% of U.S. residents in fraud schemes. The general public is targeted for telemarketing fraud at a rate of 30%, small businesses at 12%, and investors at 7%. (Federal Bureau of Investigation (FBI). March 1998. *Law Enforcement Bulletin: Telemarketing Fraud*. Washington, DC: U.S. Department of Justice, 13.)

Federal prosecutors filed 322 new criminal health care fraud cases in 1998—a 14% increase over the previous year. During this same time period, federal courts ordered convicted offenders to pay over \$480 million in fines, judgments, and settlements. (*Health Care Fraud and Abuse Control Program Annual Report for FY 1999*. February 1999. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Justice.)

The Secret Service reports that financial losses relating to identity fraud totaled \$745 million in 1997, while only two years earlier, such losses amounted to \$442 million. (Mannix, M. 1 June 1998. "Stolen Identity." *U.S. News and World Report*.)

*Note: OVC makes no representation concerning the accuracy of data from non-Department of Justice sources.*

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